

we will say in 1950 a \$20,000 house was built by a couple of which the wife over the years, gained a 50% \$10,000 interest in that house. In 1980 the husband dies and the house is valued at \$100,000 and as I read 306, that surviving spouse would have a liability of \$50,000 against the \$10,000 in which was invested in the house. If this is incorrect will you please explain it to me in detail?

PRESIDENT: Senator Beutler, do you want to respond?

SENATOR BEUTLER: If I understand you correctly, if you are saying that the property was put into joint tenancy with right of survivorship, is that correct? And if you are saying the husband contributed...how much did you say he contributed in 1950 to the purchase price? Pardon me? And that was the total purchase price? That was half the purchase price? Okay, then the amount of the assets that would be subject to the debt if 306 with the amendment passes is 50%, \$50,000.

SENATOR KELLY: Thank you very much, Senator Beutler. Now I would refer to the bill in Section 2 which is not changed by the amendment and it states that "the surviving owner shall be accountable to the personal representative for that portion of the fair market value of the property beneficially received as of the date of the death of the decedent." And in my example, that would cause the surviving spouse to be responsible up to \$50,000, not half back to the \$10,000.

PRESIDENT: The Chair recognizes Senator Nichol.

SENATOR NICHOL: Mr. Chairman, ladies and gentlemen, in todays banking transactions some of us go to a Savings and Loan once in a while to borrow money for a house. We are not talking about that type of a situation. When we do this the lending company requires the signature of both spouses. What we are talking about here is the usual day to day transactions in banks. Ordinarily when a large transaction is made the bank does require signatures for all of the loans but in the day to day transactions, the spouse doing most of the business does go to the bank and borrows money on his signature alone without the signature of the other spouse. The person signing the note, of course, is responsible for this debt and in my opinion, the spouse also should be responsible for that note. Now there are households where the wife does not know what the husband does and the husband does not know what the wife does and this is where the problem is created. In most households it is common knowledge